



Department of Natural Resources Funding

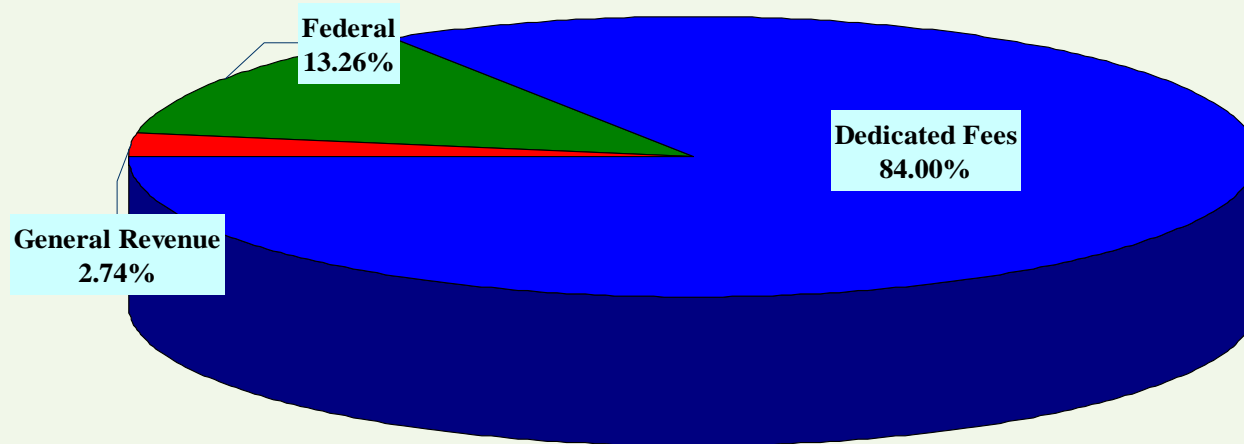
E-Scrap Workgroup Presentation

June 14, 2006



DNR Operations Supported By Fees

Department of Natural Resources FY07 TAFP Operating Budget by Fund



* Does not include appropriated transfers

Fees Collected

- Permit Fees
- Fees for Service
- Point of Purchase Fees
- Contingency Fees
- Sales Tax

Permit Fees

Permit fees are established legislatively through state statutes. The statute may set the amount or the amount may be set by regulation or adjusted by commission action.

These fees are paid to DNR for a permit to operate a facility or for certification of individuals.

Examples:

- Water Pollution Permit Fees
- Wastewater Operator Certification Fees
- Air permit Fees
- Air Emission Fees
- Water Well Driller Permit Fees

Fees for Service

- **Fees charged to cover the cost of specific activity, program or implementation of regulations.**

Examples:

- Drinking Water Primacy Fee - this fee is set by statute, the amount is added to consumers' monthly water bills, the average charge is \$0.27 monthly.
- Lab certification fee- for analysis of public drinking water facilities
- Asbestos contractor registration paid to the department by asbestos abatement contractors annual \$1,000 fee.
- Hazardous waste inspection fee - annual fee paid by commercial hazardous waste facilities for quarterly inspections. Fee is based on amount of waste received from off-site.

Point of Purchase Fees

- **Fees collected by retailers or industry and remitted to the state. Some examples include:**
- **Solid Waste Tonnage Fee (Tipping)** - collected by operators of solid waste transfer stations and landfills based on tons of waste received.
- **Scrap Tire fee and Lead-Acid Battery fee**
 - rates set statutorily currently \$0.50 per tire or lead-acid battery
 - collected by retailer at the time of sale and remitted to the Department of Revenue (DOR) quarterly
 - Retailer retains 6% for collection costs, DOR retains 4%. DNR receives \$0.45 or 90% of the fee.
 - The scrap tire fee has been used to clean up over 13 million tires.

Contingency Fee

- Fees collected in case an event occurs

Examples:

- Concentrated Animal Feeding Operations - monies collected are held on deposit until the operation is closed.
- Dry Cleaning Environmental Response Trust- Insurance fund in case of release of dry cleaning solvents.
- Petroleum Storage Tank fee, insurance trust fund participation fee, and transport load fee - fees charged to cover clean-up cost of a petroleum release.
- Natural Resource Damages- charges paid to clean-up or restore damaged sites, lost natural resources.

Sales Tax

- Parks and Soils Sales Tax
- A sales tax requires a constitutional amendment which must be voted on by Missouri citizens.
- 1/10 of 1% sales tax to support state parks and soil conservation efforts
- Passed in 1984, re-approved in 1988 and 1996 will expire in 2008 unless re-approved
- Provides 3/4 of the funding for the state park system

How are fees determined?

- Flat fee for filing, or renewal of permits/certifications, or purchase of a product (flat amounts may be set in statute)
- Annual fee or tax -some may be adjusted for inflation or target revenues.
- Per hour actual costs or set hourly rate (typically review time)
- Fee set per unit of measure (ton, acre, customer service connection, vehicle, recording, tire, lead-acid battery, animal unit)
- One time assessment

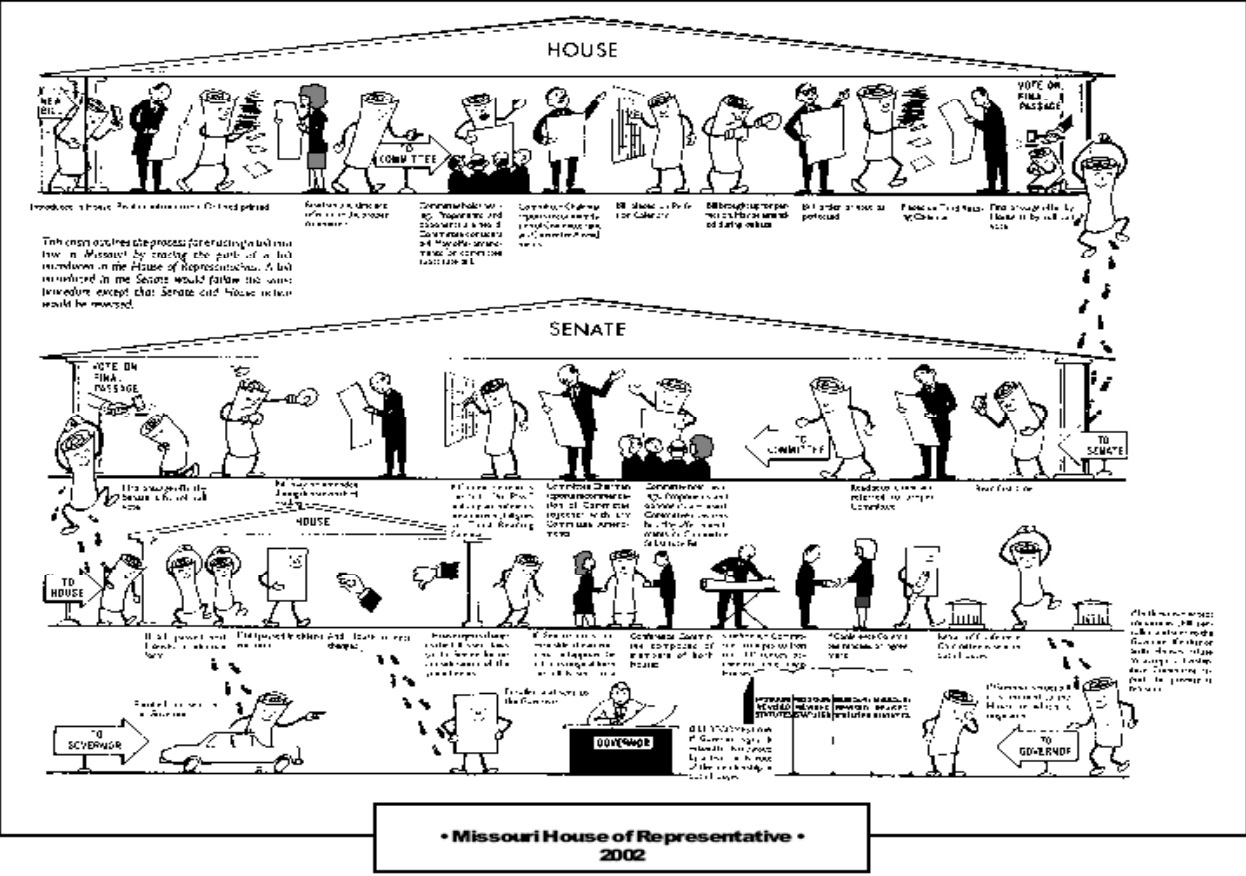
Who receives the fee?

- Department of Natural Resources programs and divisions.
- Other entities may receive a portion
 - Department of Revenue to collect a fee
 - Contractors/Retailers if they collect the fee
 - Attorney General Office uses fees for Natural Resource related activities
 - Other state agencies

Commonalities

- All fees have some amount of administrative costs associated with them.
- All new fees or taxes are established with a sunset date, the program must be reviewed and fee renewals may be pursued (generally 6 years, sunset date is specified by statute)
- All new taxes must be voted on
- Fees are established by law - state statute and may be set by the statute or defined by regulation

Additional Fee Information



How a bill becomes a law

(larger copy
included in
handout)